

**FRENCH QUARTER FESTIVALS, INC.**

**NEW ORLEANS, LOUISIANA**

**FINANCIAL STATEMENTS**

**AS OF AND**

**FOR THE YEARS ENDED**

**DECEMBER 31, 2012 AND 2011**

**ERICKSEN KRENTEL & LA PORTE L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET  
NEW ORLEANS, LOUISIANA 70119-5996  
TELEPHONE (504) 486-7275  
FAX (504) 482-2516

2895 HIGHWAY 190, SUITE 213  
MANDEVILLE, LOUISIANA 70471  
TELEPHONE (985) 727-0777  
FAX (985) 727-6701

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## **TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b><u>ACCOUNTANTS' COMPILATION REPORT</u></b> .....	1
 <b><u>FINANCIAL STATEMENTS:</u></b>	
Exhibit "A" Statements of Financial Position .....	2
Exhibit "B" Statements of Activities .....	3
Exhibit "C" Statements of Cash Flows.....	4
 <b><u>SUPPLEMENTARY INFORMATION:</u></b>	
Schedule of Findings .....	5
Schedule of Prior Year Findings.....	6

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TELEPHONE (985) 727-0777  
FAX (985) 727-6701

JAMES E. LA PORTE\*  
KEVIN M. NEYREY  
RONALD H. DAWSON, JR.\*  
RICHARD G. MUELLER  
CLAUDE M. SILVERMAN\*  
W. ERIC POWERS  
DENNIS J. TIZZARD†  
JAMES E. TONGLET†

\*PROFESSIONAL CORPORATION  
†LIMITED LIABILITY COMPANY  
BENJAMIN J. ERICKSEN - DECEASED  
J.V. LECLERE KRENTEL - DECEASED

## ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of  
French Quarter Festivals, Inc.  
New Orleans, LA

We have compiled the accompanying statements of financial position of French Quarter Festivals, Inc. (a nonprofit organization) as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to French Quarter Festivals, Inc.

June 5, 2013

*Ericksen, Krentel & LaPorte, LLP*

Certified Public Accountants

**FRENCH QUARTER FESTIVALS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2012 AND 2011**

**(See Accountants' Compilation Report)**

	<u>2012</u>	<u>2011</u>
<b><u>ASSETS:</u></b>		
Cash and cash equivalents	\$ 32,672	\$ 93,331
Accounts receivable	38,809	14,152
Prepaid expenses	-	2,295
Other current assets	5,734	2,043
Investments	338,613	331,173
Equipment (net of accumulated depreciation of \$14,466 in 2012 and \$13,599 in 2011)	<u>-</u>	<u>867</u>
Total assets	<u>\$ 415,828</u>	<u>\$ 443,861</u>
<b><u>LIABILITIES:</u></b>		
Accounts payable	\$ 66	\$ 2,450
Accrued payroll liabilities	<u>7,152</u>	<u>2,831</u>
Total liabilities	<u>7,218</u>	<u>5,281</u>
<b><u>NET ASSETS:</u></b>		
Unrestricted:		
Undesignated	98,610	377,330
Board designated:		
Reserve fund	300,000	-
Temporarily restricted	<u>10,000</u>	<u>61,250</u>
Total net assets	<u>408,610</u>	<u>438,580</u>
Total liabilities and net assets	<u>\$ 415,828</u>	<u>\$ 443,861</u>

**FRENCH QUARTER FESTIVALS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**(See Accountants' Compilation Report)**

**UNRESTRICTED NET ASSETS**

	<u>2012</u>	<u>2011</u>
<b><u>Public Support and Other Revenues:</u></b>		
Beverage sales	\$ 954,703	\$ 741,520
Event income	30,240	27,084
Food booth rental	247,982	261,705
Merchandise	173,111	197,718
Sponsorship	696,319	566,431
Advertising income	66,755	65,683
Grant income	124,750	123,825
Other income	82,426	81,814
Revenues released from restrictions	<u>61,250</u>	<u>5,000</u>
 Total unrestricted public support and other revenues	 <u>2,437,536</u>	 <u>2,070,780</u>
 <b><u>Expenses:</u></b>		
Program services	1,789,225	1,468,846
Supporting services:		
Management and general	604,563	500,374
Fundraising	<u>22,468</u>	<u>26,789</u>
 Total supporting services	 <u>627,031</u>	 <u>527,163</u>
 Total expenses	 <u>2,416,256</u>	 <u>1,996,009</u>
 Net change in unrestricted net assets	 <u>21,280</u>	 <u>74,771</u>
 <b><u>TEMPORARILY RESTRICTED:</u></b>		
Contributions for periods after December 31, 2011	10,000	66,250
Released from restrictions	<u>(61,250)</u>	<u>(5,000)</u>
 Net change in temporarily restricted net assets	 <u>(51,250)</u>	 <u>61,250</u>
 Change in net assets	 <u>(29,970)</u>	 <u>136,021</u>
 Net assets, beginning of year	 <u>438,580</u>	 <u>302,559</u>
 Net assets, end of year	 <u>\$ 408,610</u>	 <u>\$ 438,580</u>

**FRENCH QUARTER FESTIVALS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**(See Accountants' Compilation Report)**

	<u>2012</u>	<u>2011</u>
<b><u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u></b>		
Change in net assets	\$ (29,970)	\$ 136,021
Adjustments to reconcile change in net assets to net cash from (used for) operating activities:		
Depreciation expense	867	2,893
Bad debt expense	1,708	1,639
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(26,365)	30,324
(Increase) decrease in prepaid expenses	2,295	(2,295)
(Increase) decrease in other current assets	(3,691)	54
(Decrease) in accounts payable	(2,384)	(39,356)
Increase (decrease) in accrued payroll liabilities	4,321	(714)
(Decrease) in deferred revenue	-	(4,500)
Net cash from (used for) operating activities	<u>(53,219)</u>	<u>124,066</u>
<b><u>CASH FLOWS (USED FOR) INVESTING ACTIVITIES:</u></b>		
Purchase of investments	<u>(7,440)</u>	<u>(110,040)</u>
Net cash (used for) investing activities	<u>(7,440)</u>	<u>(110,040)</u>
Net increase (decrease) in cash and cash equivalents	(60,659)	14,026
Cash and cash equivalents, beginning of year	<u>93,331</u>	<u>79,305</u>
Cash and cash equivalents, end of year	<u>\$ 32,672</u>	<u>\$ 93,331</u>

**FRENCH QUARTER FESTIVALS, INC.**  
**SCHEDULE OF FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

We have compiled the financial statements of French Quarter Festivals, Inc. as of and for the year ended December 31, 2012, and have issued our report thereon dated June 5, 2013. We conducted our compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We did not audit or review the financial statements and, accordingly, did not express an opinion or provide any assurance about whether the financial statements of French Quarter Festivals, Inc. were in accordance with accounting principles generally accepted in the United States of America.

During our engagement to compile the financial statements, we did not become aware of any matters that we deemed reportable to the management of French Quarter Festivals, Inc.

**FINANCIAL STATEMENT FINDINGS**

NONE

**FRENCH QUARTER FESTIVALS, INC.**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**2011-01 Failure to Timely File Compiled Financial Statements**

French Quarter Festivals, Inc. failed to submit its annual report to the Louisiana Legislative Auditor's office within six months of the close of its fiscal year on December 31, 2011. Louisiana Revised Statute 24:513 requires entities receiving governmental funds in Louisiana to submit an annual report to the Louisiana Legislative Auditor's office within six months of the close of the entity's fiscal year.

The Organization should designate an individual to become knowledgeable with the filing requirements and to monitor compliance with the submission of reports required under Louisiana Revised Statute 24:513.

This issue has been resolved.